



"Soldiers On Point for the  
Nation"

**G-3/5/Soldiers on Point for the Nation** DAMO-TR



## *Our Army at war - Relevant & Ready* **OPTEMPO Overview**

**2005 Acquisition Senior Leaders'  
&**

**AMC Commanders Conference  
23 August 2005**

*"The Army--Persuasive in Peace, Invincible in War"*



# OPTEMPO

## AGENDA

- OVERVIEW
- PROCESS
- COST FACTORS
- ISSUES
- INFLUENCING CHANGE



# OPTEMPO - What it is

**OPTEMPO INCLUDES THE RESOURCES REQUIRED TO CONDUCT AND SUPPORT MTOE UNIT TRAINING, MAINTENANCE OF UNIT EQUIPMENT AND TO SUSTAIN ROUTINE, DAY-TO-DAY OPERATIONS**

- **Protects Commanders buying power**
- **Includes both Ground and Air**
- **All COMPOS (AC/RC)**
- **\$39B Program (FY 06-11)**
- **85% of FORSCOM OMA**
- **99.9% of MTOE Unit Funding**
- **Programmed via Training Resource Model (TRM)**



# THE COMPONENTS OF OPTEMPO

## DIRECT COSTS

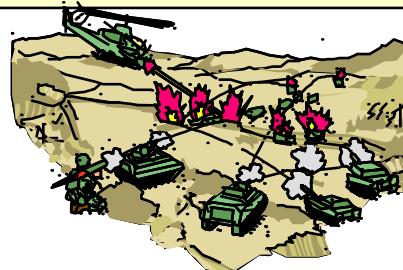
### STRATEGY BASED

- ✓ COSTS VARY DIRECTLY WITH ACTIVITY / EVENT
- ✓ INCLUDES ALL MAJOR EQUIP IN THE BATTALION
- ✓ COSTS CALCULATED BASED ON EQUIP DENSITY  
AND M...
- ✓ MACOM S

## INDIRECT COSTS

### STRUCTURE BASED

- ✓ COSTS GENERALLY BASED ON # OF PERSONNEL SUPPORTED (PER CAPITA COST)
- ✓ MACOM/UNIT SPECIFIC



- CLASS III (Fuel, Oil)
- CLASS IX (Parts)
- DEPOT LEVEL REPARABLES (Engines, Transmissions, etc...)



- COMBAT TRAINING CENTER SUPPORT (27%)
- SOLDIER SUPPORT—OCIE, CDE, CLASS II/IV ETC (26%)
  - Training Aids, Devices, Simulations, and Simulators (TADSS) CLS (17%)
  - CIVILIAN PAY (10%)
  - CONTRACT LOGISTICS SUPPORT (11%)
  - MISC, TEU, MFO SPT, ARL/IEW SPT (9%)

**HEAVY BRIGADE - 89% DIRECT/11% INDIRECT**

**LIGHT BRIGADE - 60% DIRECT/40% INDIRECT**



# **OPTEMPO**

## **Types of Cost**

### **Included:**

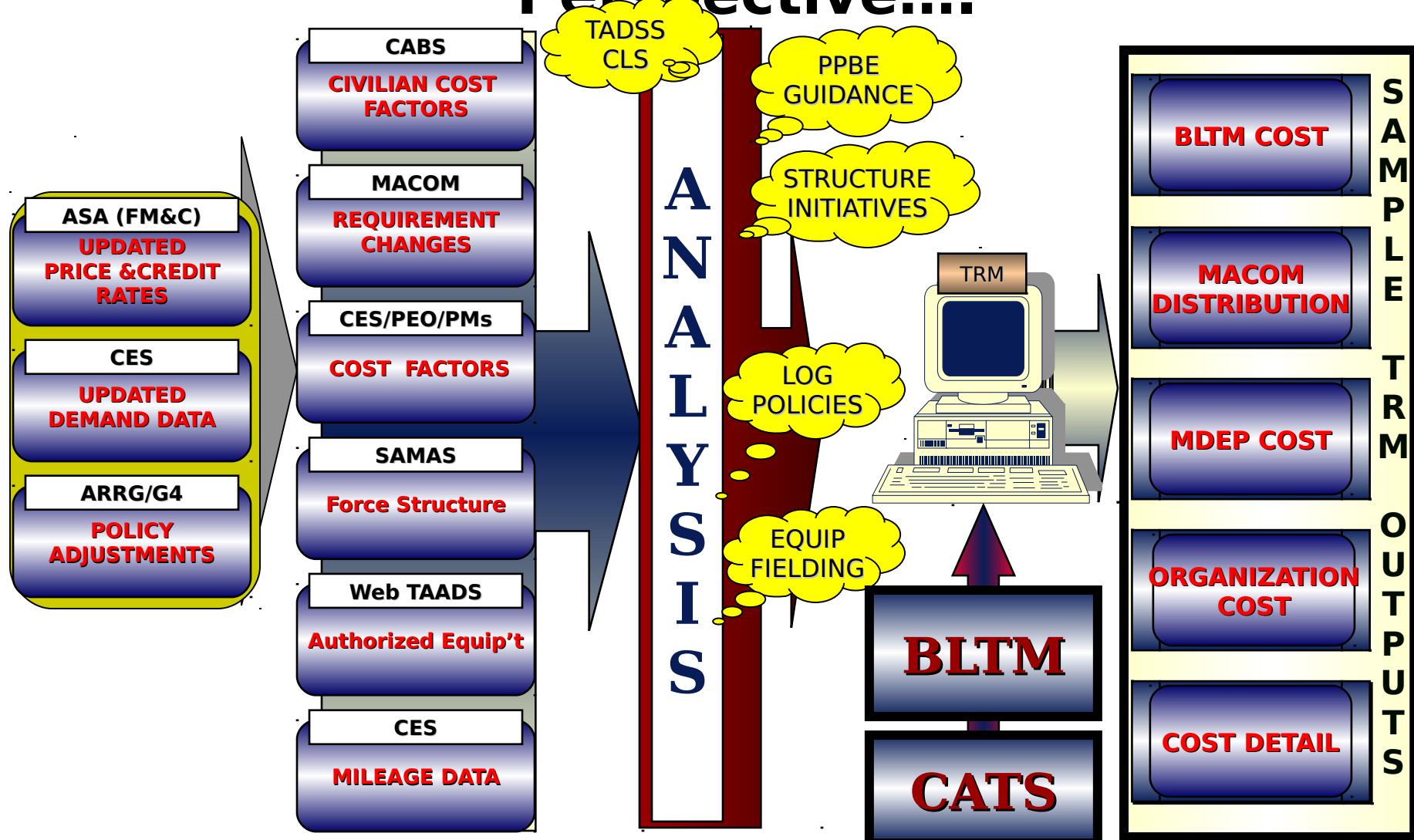
- Class II, III, IV, VIII & IX
- Unit TDY travel & transportation
- Unit level contract service requirements
- System Contract Logistic Support (when ILS is approved by HQDA e.g. Shadow, Javelin, ITAS, Stryker, FOX, BIDS, ARL, HIMARS etc)
- TADSS CLS e.g. PEO STRI support

### **Not Included:**

- Depot Maintenance
- SSTS
- Post Deployment Software Support
- End item replacement
- FSRs unless approved by Training PEG
- Second Destination Transportation

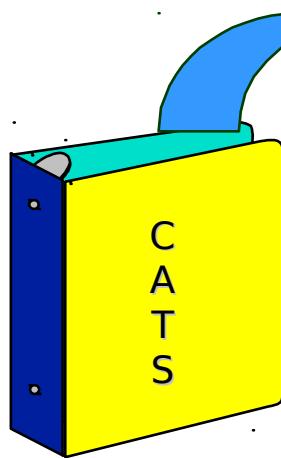


# A System Overview Perspective....





# OPTEMPO PROCESS... Foundation



**TASK BASED**

**Combined Arms  
Training Strategy  
(CATS)**

- ✓ **TRAINING TASKS**
- ✓ **FREQUENCY**
- ✓ **DOMAIN (L,V,C)**
- ✓ **PROPOSER DEVELOPED**

BATTALION LEVEL TRAINING MODEL (HVY BCT)									
LIN	LINDESC	UNIT	OPT1	TRN	RDY	OPT2	OPT3	OPT4	OPT5
C1099	CARR: MORTAR M1064 120MM	2093	578	698	643	160			
C1115	CARRIER: CP, M1068A3	2	2093	568	698	643	641		
C1823	CARRIER: M113A3	11	2450	654	883	778	298		
D11049	CARRIER: CARGO 6TON M548	2193	578	798	693	741			
D11538	CARRIER: CP M577	6	2193	568	798	693	314		
F60564	FV: M2A3	29	2474	741	825	767	261		
F8657	FISTV: BRADLEY FIRE SPT 4	1453	443	538	473	185			
F9079	FCV: M3A3	3	2596	834	866	793	262		
R50883	RECOVERY: M88A2 HERCULES	1359	340	520	440	227			
S50207	STRIKER: M707 HMMWV COIN	6088	1985	248921	170	2371			
T07679	HMMWV: ARM HMMWV	19	166	190	13641144	1311			
T07746	TRK: UTIL UP ARMDHVM	162	0	0	0	0	3031		
T13307	TANK: M1A2 MAIN BATT TANK	4	252	677	751	701	232		
T409997	TRUCK: M1075 HVY PLS	11	3477	1183	13131143	1251			
T59278	HEMMT: W/CRANE	938	938	1168	998	1111			
T60084	TRUCK CARGO: 4X4 LMTV	21	3769	1343	15951425	1539			
T61103	TRACTOR: 5 TON M9	1	5147	1236	15911396	1524			
T61494	HMMWV	44	4266	1661	20661846	2001			
T61903	TRUCK: CARGO MTV	13	3453	1140	14951300	1422			
T96497	TRUCK: CARGO TAC 8X8 HVY	5	3522	1008	13071113	1231			
W76477	TRAC HT HS ARMORED ACE	10	1987	613	662	612	204		

**EVENT BASED**

- ✓ **RESOURCE PACKAGING TOOL**
- ✓ **MULTIPLE "T" LEVELS**
- ✓ **OVER 2,500 BLTMS**
- ✓ **INCORPORATES MODERNIZATION**

**NOTE:**

- ✓ **POM 05-09 CATS based on a 2-year cycle**
- ✓ **POM 06-11 CATS based on Force Stabilization model**
- ✓ **POM 08-13 CATS based on ARFORGEN model**

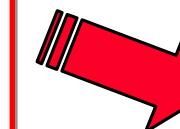


## OPTEMPO combines strategy, structure, and cost

BATTALION LEVEL TRAINING MODEL (HEAVY BCT)

LIN	LINDESC	UNITS	OPT1	TRN	RDY	OPT2	OPT3
C10990	CARR: MORTAR M1064 120MM	4	2093	578	698	643	160
C11158	CARRIER: CP, M1068A3	2	2093	568	698	643	641
C18234	CARRIER: M113A3	11	2450	654	883	778	298
D11049	*CARRIER: CARGO 6TON M548	2	2193	578	798	693	741
D11538	*CARRIER: CP M577	6	2193	568	798	693	314
F60564	IFV: M2A3	29	2474	741	825	767	261
F86571	*BFISTIV: BRADLEY FIRE SPT	4	1453	443	538	473	185
F90796	*CFV: M3A3	3	2596	834	866	793	262
R50885	*RECOVERY: M88A2 HERCULES	6	1359	340	520	440	227
S50205	*STRIKER: M707 HMMWV COLT	1	6088	1985	2489	2170	2371
T07679	*HMMWV: ARM HVY M1097	6	3433	890	1364	1144	1311
T07746	*TRK: UTIL UP ARMDHVY M1109	62	0	0	0	0	3031
T13305	*TANK: M1A2 MAIN BATTLE	29	2252	677	751	701	232
T40999	*TRUCK: M1075 HVY PLS	11	3477	1183	1313	1143	1251
T59278	*HEMMT: W/CRANE	16	3043	938	1168	998	1111
T60081	*TRUCK CARGO: 4X4 LMIV	21	3769	1345	1595	1425	1539
T61103	*TRACTOR: 5 TON M915	3	3647	1236	1591	1396	1524
T61494	*HMMWV	44	4266	1661	2066	1846	2001
T61908	*TRUCK: CARGO MTV W/E	13	3563	1140	1495	1300	1422
T96496	*TRUCK: CARGO TAC 8X8 HVY	5	3522	1003	1307	1113	1231
W76473	TRAC FT HS ARMORED ACE:M9	6	1987	613	662	612	204

Z46135	MANEUVER CTL SYSTEM (HVY)	1	1	1	1	1	1
Z46662	WATER PURIFIER: LIGHTWGT	1	1	1	1	1	1
Z48850	GBS TAC GROUND RCVR TSR-4	1	1	1	1	1	1
Z72475	*MANEUVER CTL SYSTEM(LGT)	4	1	1	1	1	1
Z78336	TGT LOC & OBSERVATION SYS	37	1	1	1	1	1
Z90624	COMP SET DIGITAL:TY Q105V1	19	1	1	1	1	1



**OPTEMPO**  
**X**  
**COST FACTOR**  
**X**  
**FORCE**  
**STRUCTURE**  
**=**  
**OPTEMPO COST**

Same methodology for light and heavy, air and ground units

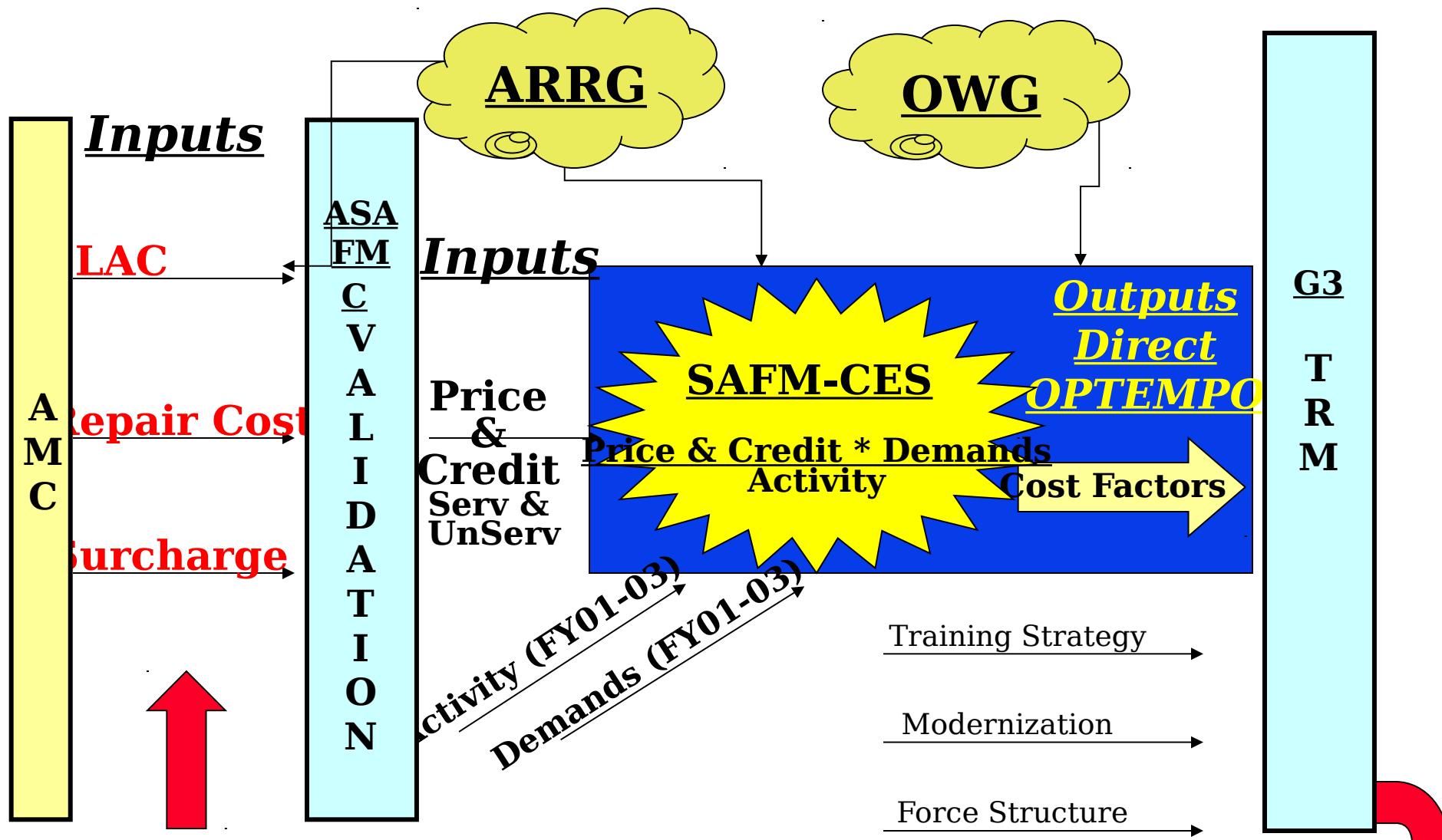


# Cost Factors

- **DIRECT OPTEMPO COST FACTORS ARE DEVELOPED BY SAFM-CES AND/OR PEO/PM**
- **THEY REFLECT**
  - WHAT THE MTOE UNIT MUST PAY FOR OPERATIONAL READINESS SUSTAINMENT COSTS
  - INCLUDES OUT OF WARRANTY COSTS
  - REPAIR AND RETURN COSTS
  - SELECTED CONTRACT LOGISTICS SUPPORT OF MTOE EQUIPMENT
- **BUDGET DRIVERS, MUST BE CREDIBLE/AUDITABLE**



# Cost Factor Development



Logistic Policies

OPTEMPO Requirements

"The Army - Persuasive in Peace, Invincible in War"



# ARMY OPTEMPO CHANGES

## Not a Static Dinosaur

- OPTEMPO has changed
  - Migration of dollars stopped since FY01
  - Training Strategy adjusted 4 times to reflect
    - Under execution
    - Contribution of TADSS e.g. UCOFT and CCTT
    - MACOM uniqueness
    - Unit stabilization or life cycle manning
    - ARFORGEN AND MODULAR FORCE (in progress)
  - AR 220-1 changed to provide a Strategy / Resources to Readiness Link
- Alternative metrics are under continuous review e.g. events & other vehicles
- Dollar and activity execution reported monthly to the G-3 AND VCSA in a Monthly Balcony Briefing

### EVOLUTION OF THE METRIC

	<b>FY0 1</b>	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>
<b>HST-LIVE</b>	<b>771</b>	<b>760</b>	<b>754</b>	<b>723</b>	<b>723</b>	<b>727</b>
<b>HST-CCTT</b>	<b>29</b>	<b>40</b>	<b>46</b>	<b>65</b>	<b>65</b>	<b>60</b>
<b>HST- UCOFT</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>NTC</b>	<b>101</b>	<b>101</b>	<b>103</b>	<b>81</b>	<b>81</b>	<b>82</b>
<b>TOTAL</b>	<b>931</b>	<b>931</b>	<b>933</b>	<b>899</b>	<b>899</b>	<b>899</b>



## **OPTEMPO CURRENT ISSUES**

**Rising cost of parts and supplies**

**Cost growth due to new equipment/capabilities**

**Cost shifting—procurement to O&M**

**Fund procurement; take risk in sustainment**

**Reliance on Supplemental/Extended Planning Funding**

**What programs should be funded in OPTEMPO?**



# OPTEMPO REQUIREMENTS GROWTH

## Why does OPTEMPO get more expensive?

- **Logistics Support Decisions**
  - Phase out of DS+ tank engine repair—cost=\$8M per div, savings eventually \$12M per div
  - Two level maintenance—M1A2 & Longbow peculiar parts, LRUs etc
  - National Maintenance Program—reduce field repair; increase parts reliability
  - Contractor Logistics Support for new systems—HIMARS, M270A1, Sentinel, TUAV etc
- **Modernization**
  - Modular sleeping bag \$292 vs \$73 for the old bag
  - JSLIST \$210 vs \$100 for the BDO; no training suit
  - Modular Forces - more equipment, greater capability
- **Price increases for repair parts**
  - Price of new buys normally exceed inflation
  - Higher depot costs for repair of engines etc
  - AWCF cash problems & higher repair cost=less credit=more unit cost
- **Increases in fuel costs (Fact of Life, not related to strategy)**
- **Higher rail and air transportation costs**



## **OPTEMPO**

### **PEO/PM/LCMC Role**

- **Insure unit sustainment is in the POM**
  - **Provide fielding info and cost estimates to G3 TR**
  - **If ILS=CLS, coordinate with G3 TR but need ASAALT approval**
- **No special forms or data calls; early coordination preferred. Email is OK to initiate most actions.**
- **Budget/POM lock data can be viewed at (userid & password controlled)**

***<https://trmis.com/trmis/start/startlogin.asp>***



# Points of Contact

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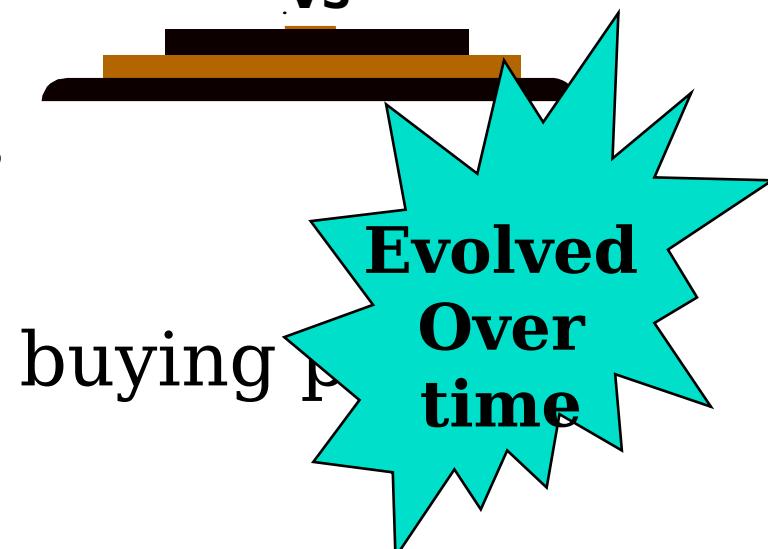
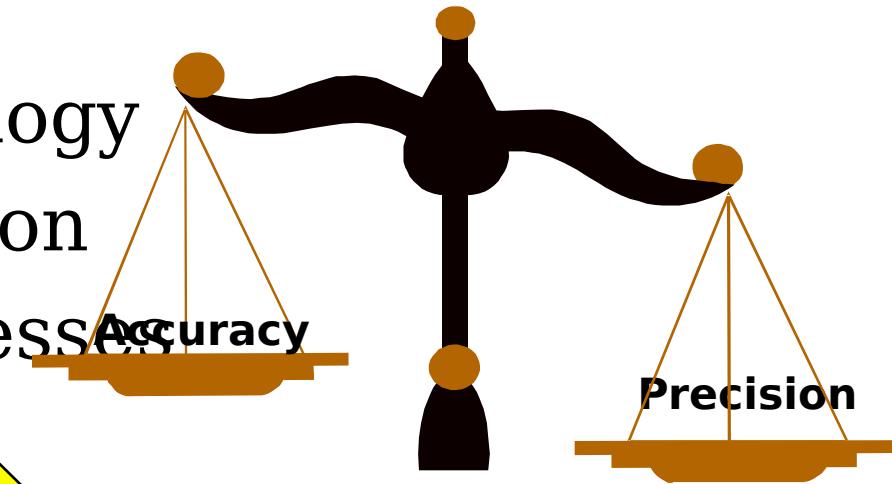


# Summary

## OPTEMPO & TRM provide

- Consistent Methodology
- Total Army Orientation
- No 'Black Box' Processes
- Frequent Updates
- Long Range Planning
- Supports "What if" Drills
- Quick Response
- Preserves Commanders' buying power

## Achieve a Balance





*"Soldiers On Point for the  
Nation"*  
**G-3/5/7**

**DAMO-TR**

# **BACK-UPS**



# Why OPTEMPO Costs Go Up

## An EPLRS Case Study +\$15M

- Now thru FY07 EPLRS are maintained on a direct repair basis from unit to Raytheon.
- The cost is \$3,300 repair plus \$500 PM handling charge per RT or **\$3,800** per turn in.
- In FY08 EPLRS will transition to AWCF. Units will turn in broken RTs and buy a serviceable RT from the AWCF. Raytheon will still do the repair for the AWCF.
- The cost will be \$3,320 repair plus \$863 washout plus \$8,143 surcharge for a total net price of **\$12,326!!!**
- With 12,000 EPLRS fielded by FY08 & 1 out of every 6 needing repair a year, OPTEMPO increases by \$12M!
- A 200% or \$12M increase in OPTEMPO cost for the exact same repair!
- Can the Army afford to transition EPLRS to AWCF?